

New Hampshire Department of Revenue Administration

Fiscal Note Quick Guide

16-2285

HB 1436-FN, *relative to exemption from the yield tax on timber when clearing for solar energy.*

House Way & Means Committee

The proposed bill would create an exemption from the RSA 79 Timber Tax when timber is cleared for solar energy collection through passive residential heating, thermal solar energy collection or the placement of photovoltaic panels that are net energy metered under RSA 362-A:9. This bill would take effect July 1, 2016.

There is no way to determine the number of properties that might qualify for this exemption in the future. Additionally, RSA 79:1, II (b) currently contains several existing exemptions to the Timber Tax. It is possible that some volume of wood cut under a new solar energy collection exemption would have also been exempt under an existing exemption. However, to the extent that a completely new exemption is being created by the proposed bill, the bill would result in some indeterminable reduction in local revenue.

Municipalities would be responsible for collecting and interpreting detailed information on a site-by-site basis in order to determine whether a cutting operation qualifies for the new exemption. The cost of obtaining, evaluating, and maintaining this information is indeterminable.

The Department of Revenue Administration (DRA) notes that the proposed bill does not specify a limit to the size of the space cleared or the amount of timber cut under the new exemption.